

SETTLEMENT AGREEMENT BETWEEN
MISSOURI REAL ESTATE COMMISSION AND HUIMIN MICHELLE SHEN

Come now Huimin Michelle Shen ("Licensee") and the Missouri Real Estate Commission ("Commission") and enter into this settlement agreement for the purpose of resolving the question of whether Licensee's license as a real estate broker will be subject to discipline.

Pursuant to the terms of § 536.060, RSMo,¹ the parties hereto waive the right to a hearing by the Administrative Hearing Commission of the State of Missouri ("AHC") regarding cause to discipline the Licensee's license, and, additionally, the right to a disciplinary hearing before the Commission under § 621.110, RSMo.

Licensee acknowledges that Licensee understands the various rights and privileges afforded Licensee by law, including the right to a hearing of the charges against Licensee; the right to appear and be represented by legal counsel; the right to have all charges against Licensee proven upon the record by a preponderance of the evidence; the right to cross-examine any witnesses appearing at the hearing against Licensee; the right to present evidence on Licensee's own behalf at the hearing; the right to a decision upon the record by a fair and impartial administrative hearing commissioner concerning the charges pending against Licensee and, subsequently, the right to a disciplinary hearing before the Commission at which time Licensee may present evidence in mitigation of discipline; and the right to recover attorney's fees incurred in defending this action against Licensee's license. Being aware of these rights provided licensee by operation of law, Licensee knowingly and voluntarily waives each and every one of these rights and freely enters into this settlement agreement and agrees to abide by the terms of this document, as they pertain to Licensee.

Licensee acknowledges that Licensee has received a copy of the documents relied upon by the Commission in determining there was cause to discipline Licensee's license, along with citations to law and/or regulations the Commission believes were violated.

For the purpose of settling this dispute, Licensee stipulates that the factual allegations contained in this settlement agreement are true and stipulates with the Commission that Licensee's license, numbered 2001028244 is subject to disciplinary action by the Commission in accordance with the provisions of Chapter 621 and §§ 339.010-339.205 and 339.710-339.855, RSMo.

¹ All statutory references are to Missouri Revised Statutes 2000, as amended, unless otherwise indicated.

Joint Stipulation of Fact and Conclusions of Law

1. The Commission is an agency of the state of Missouri created and established pursuant to § 339.120, RSMo, for the purpose of licensing all persons engaged in the practice as a real estate broker or salesperson in this state. The Commission has control and supervision of the licensed occupations and enforcement of the terms and provisions of Sections 339.010-339.205 and 339.710-339.855, RSMo.

2. Licensee, Huimin Michelle Shen, holds an active real estate broker license from the Commission, license number 2001028244. The Commission issued Licensee's license on November 16, 2007. Licensee's license expires June 30, 2020. Licensee's license was current and active at all times relevant herein. Licensee does business as Sweet Home Realty.

3. Between May 9-11 and on May 17, 2016, the Commission conducted an audit of Licensee's business. The Commission's audit revealed:

- a. In violation of sections 339.100.2(1) and 339.105.1, RSMo, and regulations 20 CSR 2250-8.120(4) and 8.120(3), rent was not deposited and maintained in an escrow account on numerous instances.
- b. In violation of section 339.105.1, RSMo, there were numerous instances of commingling funds in that Licensee deposited rents and a security deposit into her business operating account. Licensee stated she did not maintain any funds for any owner, "essentially zeroing out each owner's balance each month by remitting all proceeds to each owner, after subtracting her management fee." The audit revealed that the broker also paid some vendor bills for the owners out of the business account and in some of those instances, the expenses were deducted from the owner proceeds while in others, Licensee stated she did not reduce the owner payment for the invoice but the owner would reimburse her the amount of the invoice at a later date. Licensee also stated that she does not hold any security deposits as they are also forwarded to the owner. However, the management agreements did not specify who was to hold the security deposits.
- c. In violation of section 339.710(23)(a) and (b), RSMo, Licensee had a written agency agreement to represent one party to the transaction and disclosed herself as a transaction broker.

- d. In violation of section 339.730.1(1), RSMo, on 36 instances, Licensee failed to perform the terms of the written agreement with the landlord in that Licensee did not charge the correct amount of management fee as according to the management agreements.
- e. In violation of sections 339.750.1 and 339.780.4, RSMo, on three instances, Licensee acted as a dual agent without written authorization from the tenant.
- f. In violation of section 339.760.1, RSMo, Licensee failed to adopt a written policy which identifies and describes the relationships in which the designated broker and affiliated licensees may engage with any seller, landlord, buyer or tenant.
- g. In violation of section 339.780.1, RSMo, and 20 CSR 2250-8.090(4)(A)11, on three instances, Licensee entered into a listing agreement on behalf of the broker without written authorization from the designated broker.
- h. In violation of section 339.780.2, RSMo, and 20 CSR 2250-8.090(9)(B), on six instances, the management agreement did not state when the fee or commission would be paid.
- i. In violation of section 339.780.3, RSMo, on three instances, Licensee acted as agent of the tenant without obtaining a written agency agreement.
- j. In violation of 20 CSR 2250-8.090(4)(A)4, on three instances, the listing agreement did not include a definite expiration date.
- k. In violation of 20 CSR 2250-8.090(4)(A)11, the listing agreement did not include Licensee's signature.
- l. In violation of 20 CSR 2250-8.090(4)(A)14, on five instances, all the terms and conditions under which the property could be sold were not included in the listing agreement including the minimum commission, protection period, additional compensation and warranty plan.
- m. In violation of 20 CSR 2250-8.090(4)(C)A, a change to the listing agreement was not initialed by the sellers or Licensee.
- n. In violation of 20 CSR 2250-8.090(9)(C), on 13 instances, the management agreement did not specify whether security deposits and prepaid rents would be held by the broker or owner.
- o. In violation of 20 CSR 2250-8.090(9)(D), on two instances, the management agreement did not contain a beginning date.

- p. In violation of 20 CSR 2250-8.096(1), on six instances, the Licensee's brokerage relationship was not disclosed in writing.
- q. In violation of 20 CSR 2250-8.096(1), there was a conflicting disclosure in that Licensee disclosed as both the landlord's agent and as dual agent for the landlord and as the tenant's agent and as dual agent for the tenant.
- r. In violation of 20 CSR 2250-8.096(1), Licensee made an incorrect disclosure in that she disclosed as a landlord's agent for the landlord and a tenant's agent for the tenant on an in-house transaction without designating another licensee to work for the tenant. The licensee did not have a tenant agency agreement with the tenant.
- s. In violation of 20 CSR 2250-8.096(1)(A)(2), the written brokerage relationship disclosure did not identify the source or sources of compensation.
- t. In violation of 20 CSR 2250-8.096(1)(A)(6), on four instances, the written brokerage relationship disclosure was not dated by the disclosing licensee.
- u. In violation of 20 CSR 2250-8.100(1), on eight instances, all terms and conditions were not specified in the offer to purchase including financing and the home warranty.
- v. In violation of 20 CSR 2250-8.160(1), on 14 instances, the brokerage failed to retain records including a copy of a contract and invoices.
- w. In violation of 20 CSR 2250-8.220(1), the broker failed to maintain a separate account for the deposit of current rents and owner funds.
- x. In violation of section 339.730.1(1), RSMo, on six instances, the management agreement terms regarding periodic statements of property income and expenses, taxes and insurance and lead-paint disclosure were not completed.

4. As a result of the audit, the Commission sent a letter to Licensee with required corrective action and required Licensee to attend a 48-hour broker pre-exam course as well as normal continuing education.

5. Between December 12-14 and December 19, 2017, the Commission conducted a re-audit of Licensee's business. The re-audit revealed:

- a. In violation of section 339.105.1, RSMo, there were five instances of shortages in the property management escrow account, PNC Bank, account ending 5858;

- i. \$146.79 of Licensee's personal expense paid from the escrow account in error;
 - ii. \$900.00 of rents paid to the owner prior to the audit cut-off before the rent was even received;
 - iii. \$450.00 in funds Licensee removed because she believed they were in excess of the account;
 - iv. \$200.00 where a check cleared for more than booked; and
 - v. \$140.77 of bank fees charged but not booked to the owners.
- b. In violation of section 339.105.1, RSMo, there was an identified overage in the property management escrow account, PNC Bank, account 5858, a \$55.00 check cleared for less than it was booked in the brokerage's records.
- c. In violation of section 339.105.1, RSMo, there was a temporary overage of \$494.05 from October 24, 2017 to October 26, 2017, in the property management escrow account, account 5858, due to a commission check deposited in error into the rental account.
- d. In violation of section 339.105.1, RSMo, there were two instances of commingling in the property management escrow account in that a commission check was deposited in error and Licensee removed funds from the account she believed to be in excess of the balance in the account.
- e. In violation of section 339.105.3, RSMo, Licensee did not maintain records necessary to determine the adequacy of the property management escrow account:
 - i. Checks and deposit tickets did not contain related transactions. Therefore, Licensee did not have any records documenting rents being deposited. Licensee's practice was to deposit the rents, subtract the amount of the management fee and send the balance to the owner. Licensee "checked a list" when the rent was received which was her only record of rent collected;
 - ii. Licensee issued annual owner statements that only listed a total amount of rents and management fees for the year with no monthly breakdowns shown. During the audit, Licensee stated she would start using a handwritten ledger for each property showing all income and expenses during the audit;

- iii. Licensee did not record all checks on check stubs and did not retain voided checks;
 - iv. The Commission's examiner was unable to determine what management fees Licensee removed as there was no property detail on management fee checks; and
 - v. Licensee did not complete any bank reconciliations during the audit period.
- f. In violation of section 339.105.5, RSMo, Licensee removed the management fee from the property management escrow account before she earned the fee.
 - g. In violation of section 339.730.1(1), RSMo, Licensee failed to perform the terms of the written agreement with the landlord in that Licensee issued only an annual owner statement when the management agreement stated that the broker would provide quarterly owner statements.
 - h. In violation of sections 339.750.1 and 339.780.4, RSMo, Licensee, the designated broker, acted as a dual agent without written authorization from the tenant.
 - i. In violation of section 339.770.1, RSMo, and 20 CSR 2250-8.097(1), Licensee modified the Broker Disclosure Form by adding signature lines.
 - j. In violation of section 339.780.1, RSMo, and 20 CSR 2250-8.090(4)(A)11, a licensee entered into a listing agreement on behalf of Licensee without written authorization from Licensee.
 - k. In violation of section 339.780.1, RSMo, and 20 CSR 2250-8.090(5)(A)11, a licensee entered into a buyer agency agreement on behalf of Licensee without written authorization from Licensee.
 - l. In violation of section 339.780.2, RSMo, and 20 CSR 2250-8.090(9)(B), on four instances, the management agreement did not contain a complete compensation statement.
 - m. In violation of section 339.780.3, RSMo, Licensee, the designated broker, acted as an agent of the tenant without obtaining a written agency agreement.
 - n. In violation of regulation 20 CSR 2250-8.060(1), Licensee failed to display all licenses upon request.
 - o. In violation of regulation 20 CSR 2250-8.090(4)(A)14, on four instances, all the terms and conditions under which the property could be sold were not contained in the listing agreement including the minimum commission and home warranty.

- p. In violation of regulation 20 CSR 2250-8.090(9)(C), the management agreement did not specify whether security deposits or prepaid rents would be held by the broker or the owner.
 - q. In violation of regulation 20 CSR 2250-8.096(1), on two instances, Licensee's brokerage relationship was not disclosed in writing.
 - r. In violation of regulation 20 CSR 2250-8.096(1)(A)2, the written brokerage relationship disclosure did not include the source or sources of compensation.
 - s. In violation of regulation 20 CSR 2250-8.096(1)(A)6, the written brokerage relationship disclosure was not dated by Licensee.
 - t. In violation of regulation 20 CSR 2250-8.100(1), the contract did not specify who was to hold the earnest money.
 - u. In violation of regulation 20 CSR 2250-8.100(1), the offer to purchase contract did not include all terms and conditions in that Licensee failed to include the financing terms.
 - v. In violation of regulation 20 CSR 2250-8.150(3) and 8.160(1), Licensee failed to retain a copy of the buyers' closing statement.
 - w. In violation of regulation 20 CSR 2250-8.160(2), on 18 instances, Licensee failed to retain records related to property management including 17 voided checks and one paid invoice.
 - x. In violation of regulation 20 CSR 2250-8.220(8), on numerous instances, Licensee did not indicate the related transaction on each deposit ticket or other deposit record for the property management escrow account.
 - y. In violation of regulation 20 CSR 2250-8.220(8), on numerous instances, Licensee did not indicate the related transaction on each check written, the corresponding check stub or other record of disbursement on the property management escrow account.
6. Section 339.105, RSMo, states, in relevant part:
- 1. Each broker who holds funds belonging to another shall maintain such funds in a separate bank account in a financial institution which shall be designated an escrow or trust account. This requirement includes funds in which he or she may have some future interest or claim. Such funds shall be deposited promptly unless all parties having an interest in the funds have agreed otherwise in writing. No broker shall commingle his or her personal funds or other funds in this account with the exception that a broker may deposit and keep a sum not to exceed one thousand dollars in the account from his or her personal funds,

which sum shall be specifically identified and deposited to cover service charges related to the account.

...

3. In conjunction with each escrow or trust account a broker shall maintain books, records, contracts and other necessary documents so that the adequacy of said account may be determined at any time. The account and other records shall be provided to the commission and its duly authorized agents for inspection at all times during regular business hours at the broker's usual place of business.

...

5. A broker shall not be entitled to any money or other money paid to him or her in connection with any real estate sales transaction as part or all of his or her commission or fee until the transaction has been consummated or terminated, unless agreed to in writing by all parties to the transaction.

7. Section 339.710, RSMo, states, in relevant part:

For the purposes of sections 339.010 to 339.180, and sections 339.710 to 339.860*, the following terms mean:

...

(23) "Transaction broker", any licensee acting pursuant to sections 339.710 to 339.860*, who:

(a) Assists the parties to a transaction without an agency or fiduciary relationship to either party and is, therefore, neutral, serving neither as an advocate or advisor for either party to the transaction;

(b) Assists one or more parties to a transaction and who has not entered into a specific written agency agreement to represent one or more of the parties[.]

8. Section 339.730.1(1), RSMo, states, in relevant part:

1. A licensee representing a seller or landlord as a seller's agent or a landlord's agent shall be a limited agent with the following duties and obligations:

(1) To perform the terms of the written agreement made with the client[.]

9. Section 339.750.1, RSMo, states, in relevant part:

A licensee may act as a dual agent only with the consent of all parties to the transaction. Consent shall be presumed by a written agreement pursuant to section 339.780.

10. Section 339.760, RSMo, states, in relevant part:

Every designated broker who has affiliated licensees shall adopt a written policy which identifies and describes the relationships in which the designated broker and affiliated licensees may engage with any seller, landlord, buyer, or tenant as part of any real estate brokerage activities.

11. Section 339.770.1, RSMo, states, in relevant part:

In a residential real estate transaction, at the earliest practicable opportunity during or following the first substantial contact by the designated broker or the affiliated licensees with a seller, landlord, buyer, or tenant who has not entered into a written agreement for services as described in subdivision (5) of section 339.710, the licensee shall provide that person with a written copy of the current broker disclosure form which has been prescribed by the commission.

12. Section 339.780, RSMo, states, in relevant part:

1. All written agreements for brokerage services on behalf of a seller, landlord, buyer, or tenant shall be entered into by the designated broker on behalf of that broker and affiliated licensees, except that the designated broker may authorize affiliated licensees in writing to enter into the written agreements on behalf of the designated broker.

2. Before engaging in any of the activities enumerated in section 339.010, a designated broker intending to establish a limited agency relationship with a seller or landlord shall enter into a written agency agreement with the party to be represented. The agreement shall include a licensee's duties and responsibilities specified in section 339.730 and the terms of compensation and shall specify whether an offer of subagency may be made to any other designated broker.

3. Before or while engaging in any acts enumerated in section 339.010, except ministerial acts defined in section 339.710, a designated broker acting as a single agent for a buyer or tenant shall enter into a written agency agreement with the buyer or tenant. The agreement shall include a licensee's duties and responsibilities specified in section 339.740 and the terms of compensation.

4. Before engaging in any of the activities enumerated in section 339.010, a designated broker intending to act as a dual agent shall enter into a written agreement with the seller and buyer or landlord and tenant permitting the designated broker to serve as a dual agent. The agreement shall include a licensee's duties and responsibilities specified in section 339.750 and the terms of compensation.

13. Regulation 20 CSR 2250-8.060(1) states, in relevant part:

Every broker shall maintain his/her license and the licenses of all associates in the regular place of business or branch office(s). The licenses shall be displayed to any member of the public on request.

14. Regulation 20 CSR 2250-8.090 states, in relevant part:

...

(4) Seller's/Lessor's Agency (Sale/Lease Listing) Agreement.

(A) Every written listing agreement or other written agreement for brokerage services shall contain all of the following:

...

4. An expiration date;

...

11. The signatures of all owners and the listing broker or listing agent as authorized by the broker;

...

14. All other terms and conditions under which the property is to be sold, leased, or exchanged.

...

(C) Any addendums, riders, endorsements, attachments, or changes to the listing agreement or other written agreement for brokerage services must contain the initials of all parties.

...

(5) Buyer's/Tenant's Agency Agreement.

(A) Every written buyer or tenant authorization shall contain all of the following:

...

11. The signatures of the buyers or tenants and the broker or agent as authorized by the broker[.]

...

(9) Every written property management agreement or other written authorization between a broker and the owners of the real estate shall:

...

(B) State the amount of fee or commission to be paid and when the fee or commission will be paid;

(C) Specify whether security deposits and prepaid rents will be held by the broker or the owner;

(D) Contain the beginning date of the agreement;

15. Regulation 20 CSR 2250-8.096 states, in relevant part:

(1) Licensees acting with or without a written agreement for brokerage services pursuant to sections 339.710 to 339.860, RSMo, are required to have such relationships confirmed in writing by each party to the real estate transaction on or before such party's first signature to the real estate contract. Nothing contained herein prohibits the written

confirmation of brokerage relationships from being included or incorporated into the real estate contract, provided that any addendum or incorporated document containing the written confirmation must include a separate signature section for acknowledging the written confirmation that shall be signed and dated by each party to the real estate transaction.

(A) Written confirmation must –

...

2. Identify the sources or sources of compensation;

...

6. Be signed and dated by the disclosing licensees on or before the contract date. If a landlord's agent or transaction broker is conducting property management pursuant to 20 CSR 2250-8.200 – 20 CSR 2250-8.210, the unlicensed office personnel may, in the performance of the duties enumerated in 339.010.5(5)(a)-(e), sign the written confirmation on behalf of the landlord's agent or transaction broker.

16. Regulation 20 CSR 2250-8.097(1) states, in relevant part:

In a residential real estate transaction, at the earliest practicable opportunity during or following the first substantial contact by the designated broker or the affiliated licensees with a seller, landlord, buyer, or tenant who has not entered into a brokerage relationship as described in section 339.710.5, RSMo, the licensee shall provide that person with a written copy of the current Broker Disclosure Form prescribed by the Missouri Real Estate Commission. In any event, a licensee shall provide the party that has not entered into a brokerage relationship as described in section 339.710.5, RSMo, the Broker Disclosure Form upon obtaining any personal or financial information or before the signing of a brokerage service agreement, whichever occurs first. If a landlord's agent or transaction broker is conducting property management pursuant to 20 CSR 2250-8.200, the unlicensed office personnel may, in their performance of the duties enumerated in section 339.010 5(5)(a)-(e), RSMo, provide a tenant with a written copy of the current Broker Disclosure Form prescribed by the commission on behalf of the landlord's agent or transaction broker.

17. Regulation 20 CSR 2250-8.100(1) states, in relevant part:

Every licensee shall make certain that all of the terms and conditions authorized by the principal in a transaction are specified and included in an offer to sell or buy and shall not offer the property on any other terms. Every written offer shall contain the legal description or property address, or both, and city where the property is located, or in the absence of, a clear description unmistakably identifying the property.

18. Regulation 20 CSR 2250-8.120 states, in relevant part:

(3) The escrow or trust account maintained by a broker, as required by the license law, shall be a checking account in a bank, savings and loan or credit union. If the escrow or trust account maintained by a broker is an interest-bearing account, the broker shall disclose in writing to all parties to the transaction that the account is interest-bearing and the disclosure shall indicate who is to receive the interest.

(4) Each broker shall deposit into the escrow or trust account all funds coming into the broker's possession as set out in section 339.100.2(1), RSMo, including funds in which the broker may have some future interest or claim including, but not limited to, earnest money deposits, prepaid rents, security deposits, loan proceeds and funds paid by or for the parties upon closing of the transaction. No broker shall commingle personal funds or other funds in the broker's account except to the extent provided by section 339.105.1, RSMo. Commissions payable must be removed from the escrow account at the time the transaction is completed. After the transaction is completed, interest payable shall be disbursed to the appropriate party(ies) from the escrow account no later than ten (10) banking days following the receipt of the next statement of the escrow account. When the licensee receives all interest earned, interest payable to a licensee must be removed from the escrow account within ten (10) banking days following the receipt of the next statement of the escrow account.

19. Regulation 2 CSR 2250-8.150(3) states, in relevant part:

The brokers for the buyer and the seller shall retain legible copies of both buyer's and seller's signed closing statements.

20. Regulation 20 CSR 2250-8.160 states, in relevant part:

(1) Every broker shall retain for a period of at least three (3) years true copies of all business books; accounts, including voided checks; records; contracts; brokerage relationship agreements; closing statements and correspondence relating to each real estate transaction that the broker has handled. The records shall be made available for inspection by the commission and its authorized agents at all times during usual business hours at the broker's regular place of business. No broker shall charge a separate fee relating to retention of records.

(2) Every broker shall retain for a period of at least three (3) years true copies of all property management agreements, correspondence or other written authorization relating to each real estate transaction relating to leases, rentals or management activities the broker has handled. The broker must also retain all business books, accounts and records unless those records are released to the owner(s) or transferred to another broker by written detailed receipt or transmittal letter agreed to in writing by all parties to the transaction.

21. Regulation 20 CSR 2250-8.220 states, in relevant part:

(1) A broker shall establish and maintain a separate escrow account(s), to be designated as a property management escrow

account(s), for the deposit of current rents and money received from the owner(s), or on the owner's(s') behalf for payment of expenses related to property management. Before making disbursements from a property management escrow account, a broker shall ensure that the account balance for that owner's(s') property(ies) is sufficient to cover the disbursements.

..

(8) Each check written on an escrow account, or each corresponding check stub, or other record of disbursement of funds from the account and each deposit ticket shall indicate the related transaction. Each check written on an escrow account for licensee fees or commission shall be made payable to the licensee who is owed the fee or commission or to the firm's general operating account.

22. Licensee's conduct, as described in paragraphs 3 through 5 above, constitutes cause to discipline Licensee's license pursuant to § 339.100.2(1), (15), (16) and (19), RSMo.

23. Cause exists for the Commission to take disciplinary action against Licensee's license under § 339.100.2(1), (15), (16) and (19), RSMo, which states in pertinent part:

(2) The commission may cause a complaint to be filed with the administrative hearing commission as provided by the provisions of chapter 621, RSMo, against any person or entity licensed under this chapter or any licensee who has failed to renew or has surrendered his or her individual or entity license for any one or any combination of the following acts:

(1) Failure to maintain and deposit in a special account, separate and apart from his or her personal or other business accounts, all moneys belonging to others entrusted to him or her while acting as a real estate broker or as the temporary custodian of the funds of others, until the transaction involved is consummated or terminated, unless all parties having an interest in the funds have agreed otherwise in writing;

...

(15) Violation of, or attempting to violate, directly or indirectly, or assisting or enabling any person to violate, any provision of sections 339.010 to 339.180 and sections 339.710 to 339.860*, or any lawful rule adopted pursuant to sections 339.010 to 339.180 and sections 339.710 to 339.860*;

(16) Committing any act which would otherwise be grounds for the commission to refuse to issue a license under section 339.040;

...

(19) Any other conduct which constitutes untrustworthy, improper or fraudulent business dealings, demonstrates bad faith or incompetence, misconduct, or gross negligence[.]

Joint Agreed Disciplinary Order

24. Based upon the foregoing, the parties mutually agree and stipulate that the following shall constitute the disciplinary order entered by the Commission in this matter under the authority of §§ 536.060, 621.045.4 and 621.110, RSMo.

25. The terms of discipline shall include that **Licensee's license shall be placed on a period of probation for three (3) years.** Licensee's license is hereby placed on three (3) years' probation. During the period of **probation** on her license, Licensee shall be entitled to practice as a real estate broker provided she adheres to all the terms stated herein. The period of probation shall constitute the "disciplinary period."

26. **Terms and conditions of the disciplinary period.** Terms and conditions of the disciplinary period are as follows:

Specific Terms

a. Licensee shall, at her own expense, ensure that quarterly audits of her registered escrow account, PNC Bank, account ending 5858, are conducted and assistance provided by a certified public accountant (CPA) approved by the Commission. Within 15 calendar days of the effective date of this Settlement Agreement, Licensee shall submit to the MREC in writing a list of at least three CPAs, including name, address, and relationship to Licensee. The Commission may approve one or more of the listed CPAs or may require Licensee, on grounds that are reasonable, to submit additional names for consideration and approval. Licensee shall, at her own expense, retain an approved CPA to assist the licensee to conduct and in completing quarterly audits for one year. The first such quarterly audit shall begin with the quarter beginning January 1, 2019 and continue through and conclude with the quarter ending December 30, 2019. Within 30 days of completion of each quarterly audit, the certified public accountant conducting and completing the audit will mail to the MREC by certified mail, return receipt requested, a signed statement from the CPA confirming that his/her firm assisted the licensee in completing a reconciliation of the account that matched the reconciled balance to the check register and the total of all reported owner and/or tenant balances. All documents necessary to prove the reconciliation should be submitted with the CPA's statement. If the CPA should find that the three-way

reconciliation does not match, the CPA report should include the details and documentation necessary to show that all discrepancies were identified and corrected.

General Terms

- a. Licensee shall keep the MREC apprised at all times in writing of her current addresses and telephone numbers at each place of residence and business. Licensee shall notify the MREC in writing within ten days of any change in this information.
- b. Licensee shall timely renew Licensee's license, timely pay all fees required for license renewal, and comply with all other requirements necessary to maintain her license in a current and active state. During the disciplinary period, Licensee shall not place her license on inactive status as would otherwise be allowed under 20 CSR 2250-4.050. Alternatively, without violating the terms and conditions of this Settlement Agreement, Licensee may surrender her real estate license by submitting a letter to the MREC. If Licensee applies for a real estate license after surrender, Licensee shall be required to requalify as if an original applicant. The MREC will not be precluded from basing its decision, wholly or partially, on the findings of fact, conclusions of law, and discipline set forth in this Settlement Agreement.
- c. Licensee shall meet in person with the MREC or its representative at any such time and place as required by the MREC or its designee upon notification from the MREC or its designee. Said meetings will be at the MREC's discretion and may occur periodically during the probation period.
- d. Licensee shall immediately submit documents showing compliance with the requirements of this Order to the MREC when requested by the MREC or its designee.
- e. During the probationary period, Licensee shall accept and comply with unannounced visits from the MREC's representatives to monitor compliance with the terms and conditions of this Order.
- f. Licensee shall comply with all relevant provisions of Chapter 339, RSMo, as amended; all rules and regulations of the MREC; and all local, state, and federal laws. "State" as used herein refers to the State of Missouri and all other states and territories of the United States.
- g. Licensee shall report to the MREC each occurrence of Licensee's being finally adjudicated and found guilty, or entering a plea of guilty or nolo contendere, in a state or federal criminal prosecution, to felony or misdemeanor offenses, within ten business days of each such occurrence.

27. This Agreement does not bind the Commission or restrict the remedies available to it concerning facts or conduct not specifically mentioned in this Agreement that are either now known to the Commission or may be discovered.

28. This Agreement does not bind the Commission or restrict the remedies available to it concerning any future violations by Licensee of Chapter 339, RSMo, as amended, or the regulations promulgated thereunder, or of the terms of this Agreement.

29. All parties agree to pay all their own fees and expenses incurred as a result of this case, its settlement or any litigation.

30. The parties to this Agreement understand that the Missouri Real Estate Commission will maintain this Agreement as an open record of the Commission as provided in Chapters 339, 610 and 324, RSMo.

31. The terms of this settlement agreement are contractual, legally enforceable, and binding, not merely recital. Except as otherwise provided herein, neither this settlement agreement nor any of its provisions may be changed, waived, discharged, or terminated, except by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge, or termination is sought.

32. Licensee, together with Licensee's heirs and assigns, and Licensee's attorneys, do hereby waive, release, acquit and forever discharge the Commission, its respective members and any of its employees, agents, or attorneys, including any former Commission members, employees, agents, and attorneys, of, or from, any liability, claim, actions, causes of action, fees, costs and expenses, and compensation, including but not limited to, any claims for attorney's fees and expenses, including any claims pursuant to § 536.087, RSMo, or any claim arising under 42 U.S.C. § 1983, which may be based upon, arise out of, or relate to any of the matters raised in this case, its settlement, or from the negotiation or execution of this settlement agreement. The parties acknowledge that this paragraph is severable from the remaining portions of this settlement agreement in that it survives in perpetuity even in the event that any court of law deems this settlement agreement or any portion thereof to be void or unenforceable.

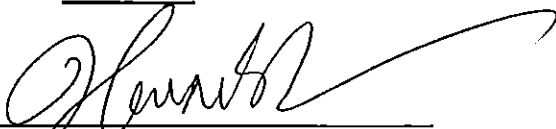
33. If no contested case has been filed against Licensee, Licensee has the right, either at the time the settlement agreement is signed by all parties or within fifteen days thereafter, to submit the agreement to the Administrative Hearing Commission for determination that the facts agreed to by the parties to the settlement

agreement constitute grounds for denying or disciplining the license of Licensee. If Licensee desires the Administrative Hearing Commission to review this Agreement, Licensee may submit this request to:

Administrative Hearing Commission, P.O. Box 1557, United States Post Office Building, 131 West High St., Jefferson City, MO 65102.

34. If Licensee has requested review, Licensee and Commission jointly request that the Administrative Hearing Commission determine whether the facts set forth herein are grounds for disciplining Licensee's license and issue findings of fact and conclusions of law stating that the facts agreed to by the parties are grounds for disciplining Licensee's license. Effective the date the Administrative Hearing Commission determines that the agreement sets forth cause for disciplining Licensee's license, the agreed upon discipline set forth herein shall go into effect. If the Administrative Hearing Commission issues an order stating that the Settlement Agreement does not set forth cause for discipline, then the Commission may proceed to seek discipline against Licensee as allowed by law. If the Licensee does not submit the agreement to the Administrative Hearing Commission for determination, the agreement shall become effective fifteen (15) days following the signature of the Commission's Executive Director.

LICENSEE


Huimin Michelle Shen

Date 9/18/2018

COMMISSION


Terry W. Moore
Executive Director
Missouri Real Estate Commission

Date 09-19-2018